



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION IX

75 Hawthorne Street  
San Francisco, CA 94105-3901

MAR 6 2013

OFFICE OF THE  
REGIONAL ADMINISTRATOR

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DIRECTOR'S OFFICE  
DEPARTMENT OF CONSERVATION

Mr. Mark Nechodom  
Director  
California Department of Conservation-DOG  
801 K Street, MS 24-01  
Sacramento, California 95814-3530

Dear Mr. Nechodom:

*mark -*

As you know, the American Taxpayer Relief Act of 2012 mandates across-the-board spending cuts, known as sequestration, be ordered on March 1, 2013. As required by law, the President issued a sequestration order cancelling billions in budgetary resources across the federal government for the remainder of the federal fiscal year. Subsequent to that order, the EPA's Acting Administrator, Bob Perciasepe, sent a letter to Governor Brown addressing the importance of the agency's relationships with the states. It is also important that we establish and maintain direct communications about what these budget cuts mean for the agency, California, and other stakeholders.

As a result of sequestration, the agency's overall budget will be reduced for the remainder of the fiscal year, impacting our employees and our programs. Programs such as the Clean Water and Drinking Water State Revolving Funds, and grants for air pollution programs under Section 105 of the Clean Air Act, will be affected by a reduction in funding. In addition, the sequester will affect the amount of discretionary grant funding to States, including reductions in awards for Superfund, Brownfields, pollution prevention, wetlands program development, research and development and community work. In the face of these reductions, the agency is doing everything possible to protect mission-critical activities to the greatest extent possible. Should Congress take subsequent actions that change the level or nature of these reductions, I am committed to working closely with you to manage any changes affecting our State partners.

Enclosed with this letter is an estimate of the FY 2013 reductions for selected grants California receives from the EPA. As you are aware, some EPA grants are competitive or are for other reasons not distributed by state at the beginning of the fiscal year. Those funds are not included in these estimates.

I thank you for your continued support and partnership with the EPA, and for your cooperation as we work together to manage these unfortunate circumstances. If you have any questions, please do not hesitate to contact me.

Sincerely,

*Jared Blumenfeld*  
Jared Blumenfeld

Enclosure

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**US Environmental Protection Agency**  
**Sequestration Impact on Grants by State - California**  
**Dollars in Thousands**

Program Project	State	FY 2013 Level	Level after Seq.	Delta (\$M)
Categorical Grant: Beaches Protection	California	\$506.00	\$480.70	\$25.30
Categorical Grant: Hazardous Waste Financial Assistance	California	\$7,560.00	\$7,182.00	\$378.00
Categorical Grant: Nonpoint Source (Sec. 319)	California	\$8,359.00	\$7,941.05	\$417.95
Categorical Grant: Pesticides Enforcement	California	\$655.00	\$622.25	\$32.75
Categorical Grant: Pesticides Program Implementation	California	\$325.00	\$308.75	\$16.25
Categorical Grant: Pollution Control (Sec. 106)	California	\$12,326.00	\$11,709.70	\$616.30
Categorical Grant: Public Water System Supervision (PWSS)	California	\$6,432.00	\$6,110.40	\$321.60
Categorical Grant: Radon	California	\$148.00	\$140.60	\$7.40
Categorical Grant: State and Local Air Quality Management	California	\$24,773.00	\$23,534.35	\$1,238.65
Categorical Grant: Toxics Substances Compliance	California	\$72.00	\$68.40	\$3.60
Categorical Grant: Underground Injection Control (UIC)	California	\$653.00	\$620.35	\$32.65
Diesel Emissions Reduction Grant Program	California	\$176.00	\$167.20	\$8.80
Infrastructure Assistance: Clean Water SRF	California	\$102,398.00	\$97,278.10	\$5,119.90
Infrastructure Assistance: Drinking Water SRF	California	\$83,007.00	\$78,856.65	\$4,150.35
	<b>California Total</b>	<b>\$247,390.00</b>	<b>\$235,020.50</b>	<b>\$12,369.50</b>

1. Sequestration Impact assumes an across the board reduction of 5 percent.
2. Mexico Border – If EPA is funded with a full-year CR based on the 2012 Enacted Budget, as a result of the 2012 rescission, there will be zero funding for this Program.
3. Categorical Grant: Radon and Categorical Grant: Beaches Protection are discontinued in the 2013 President's Budget. The reported data represents the amount EPA would receive under a full-year CR based on the 2012 Enacted Budget.